

Senate File 507 - Introduced

SENATE FILE 507

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 1224)

A BILL FOR

1 An Act relating to state revenue and finance laws by exempting
2 certain all-terrain vehicles and off-road utility vehicles
3 from the sales and use tax, modifying the flood mitigation
4 program, and modifying the disabled veteran homestead
5 tax credit, and including effective date and retroactive
6 applicability provisions.
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

SALES AND USE TAXES

Section 1. Section 423.3, subsection 8, paragraph d, Code 2015, is amended to read as follows:

d. (1) For purposes of this subsection, the following items are exempt under paragraph "a" when used primarily in agricultural production:

(a) A diesel fuel trailer, regardless of the vehicle to which it is to be attached.

(b) A seed tender, regardless of the vehicle to which it is to be attached.

(c) An all-terrain vehicle.

(d) An off-road utility vehicle.

(2) For purposes of this paragraph:

(a) "All-terrain vehicle" means the same as defined in section 321I.1.

~~(a)~~ (b) "Fuel trailer" means a trailer that holds dyed diesel fuel or diesel exhaust fluid and that is used to transport such fuel or fluid to a self-propelled implement of husbandry.

(c) "Off-road utility vehicle" means the same as defined in section 321I.1.

~~(b)~~ (d) "Seed tender" means a trailer that holds seed and that is used to transport seed to an implement of husbandry and load seed into an implement of husbandry.

DIVISION II

FLOOD MITIGATION PROGRAM

Sec. 2. Section 418.5, subsections 1 and 6, Code 2015, are amended to read as follows:

1. The flood mitigation board is established consisting of nine voting members and ~~four~~ five ex officio, nonvoting members, and is located for administrative purposes within the department. The director of the department shall provide office space, staff assistance, and necessary supplies and equipment for the board. The director shall budget funds to

1 pay the necessary expenses of the board. In performing its
2 functions, the board is performing a public function on behalf
3 of the state and is a public instrumentality of the state.

4 6. The board's ex officio membership shall ~~include~~ be
5 comprised of the following:

6 a. ~~four~~ Four members of the general assembly with one
7 each appointed by the majority leader of the senate, the
8 minority leader of the senate, the speaker of the house of
9 representatives, and the minority leader of the house of
10 representatives. A legislative member serves for a term as
11 provided in section 69.16B in an ex officio, nonvoting capacity
12 and is eligible for per diem and expenses as provided in
13 section 2.10.

14 b. The director of revenue or the director's designee.

15 Sec. 3. Section 418.15, subsection 1, Code 2015, is amended
16 to read as follows:

17 1. A governmental entity shall not receive remittances of
18 sales tax revenue under this chapter after twenty years from
19 the date the governmental entity's project was approved by the
20 board unless the remittance amount is calculated under section
21 418.11 based on sales subject to the tax under section 423.2
22 occurring before the expiration of the twenty-year period.

23 DIVISION III

24 DISABLED VETERAN HOMESTEAD

25 PROPERTY TAX CREDIT APPLICATION

26 Sec. 4. 2015 Iowa Acts, House File 166, is amended by adding
27 the following new section:

28 NEW SECTION. SEC. 6. EXCEPTION TO APPLICATION FILING
29 DEADLINE. Notwithstanding the filing deadline under section
30 425.2, claims for the homestead credit authorized under section
31 425.15, as amended in this Act, filed after July 1, 2014, but
32 before July 1, 2015, shall be considered to be a claim properly
33 filed for taxes due and payable in the fiscal year beginning
34 July 1, 2015.

35 Sec. 5. EFFECTIVE UPON ENACTMENT. This division of this

1 Act, being deemed of immediate importance, takes effect upon
2 enactment.

3 Sec. 6. RETROACTIVE APPLICABILITY. This division of this
4 Act applies retroactively to March 5, 2015.

5 EXPLANATION

6 The inclusion of this explanation does not constitute agreement with
7 the explanation's substance by the members of the general assembly.

8 This bill relates to the policy administration of the tax and
9 related laws by the department of revenue.

10 DIVISION I — SALES AND USE TAXES. Division I exempts
11 the sales price of all-terrain vehicles and off-road utility
12 vehicles used primarily in agricultural production from the
13 sales and use tax. Under current law, such vehicles are not
14 exempt from sales and use tax unless they are directly and
15 primarily used in production of agricultural products.

16 "All-terrain vehicle" means a motorized vehicle with not
17 less than three and not more than six nonhighway tires that
18 is limited in engine displacement to less than 1,000 cubic
19 centimeters and in total dry weight to less than 1,200 pounds
20 and that has a seat or saddle designed to be straddled by the
21 operator and handlebars for steering control.

22 "Off-road utility vehicle" means a motorized vehicle with
23 not less than four and not more than eight nonhighway tires or
24 rubberized tracks that has a seat that is of bucket or bench
25 design, not intended to be straddled by the operator, and a
26 steering wheel or control levers for control.

27 By operation of Code section 423.6, an item exempt from the
28 imposition of the sales tax is also exempt from the use tax
29 imposed in Code section 423.5.

30 DIVISION II — FLOOD MITIGATION PROGRAM. Division II adds
31 the director of revenue, or a designee of the director, as an
32 ex officio, nonvoting member of the flood mitigation board
33 created in Code chapter 418. The flood mitigation board is
34 currently composed of nine voting members and four ex officio,
35 nonvoting members who are members of the general assembly, and

1 is responsible for overseeing the flood mitigation program
2 administered by the department of homeland security and
3 emergency management.

4 Division II also modifies provisions relating to the
5 remittance of sales tax revenues to governmental entities under
6 the flood mitigation program. Under current law, no sales
7 tax revenues shall be remitted to government entities after
8 20 years from the project's approval date. The bill provides
9 that sales tax revenue may be remitted to governmental entities
10 after that 20-year period provided the remitted sales tax
11 amounts are based on sales occurring before the expiration of
12 the project's 20-year period.

13 DIVISION III — DISABLED VETERAN HOMESTEAD PROPERTY TAX
14 CREDIT APPLICATION. Code section 425.2 establishes the filing
15 deadline for the homestead credit available to certain disabled
16 veterans under Code section 425.15. The bill provides that,
17 notwithstanding the filing deadline under section 425.2, a
18 claim for the homestead credit authorized under Code section
19 425.15, as amended by 2015 Acts, House File 166, filed after
20 July 1, 2014, but before July 1, 2015, shall be considered to
21 be a claim properly filed for taxes due and payable in the
22 fiscal year beginning July 1, 2015.

23 Division III of the bill takes effect upon enactment and
24 applies retroactively to March 5, 2015.